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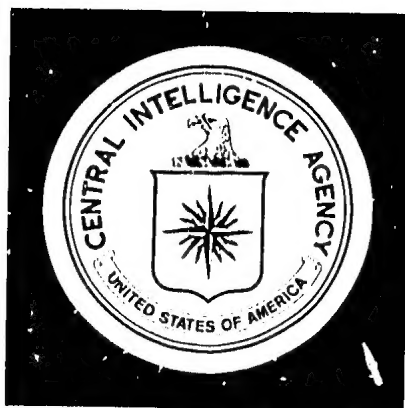
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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

Australia: The New Team

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11 January 1973
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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
11 January 1973

INTELLIGENCE MEMORANDUM

Australia: The New Team

The new Labor government has been in office barely a month, and Prime Minister Whitlam has moved rapidly to establish a new style and direction. Much of what has been done could have been anticipated. The succession of announcements changing the policies of the outgoing Liberal-Country government grew directly out of the Labor Party's long-standing policies and election platform. The speed and firmness with which Whitlam has acted are obviously designed to serve notice on all concerned--the population, the bureaucracy, and Australia's allies--that a new team with different ideas is now in charge.

Most of the government's initial moves, such as its quick recognition of Peking, have touched on foreign policy. The government also acted immediately to end military conscription. The resulting reduction in the size of the Australian military force is in line with the government's intention to avoid future overseas military commitments and to withdraw Australian ground forces from Singapore and Malaysia.

Australia's basic alliance with the US does not appear in jeopardy. Whitlam has consistently affirmed the importance to Australia of the ANZUS treaty relationship and since coming to office has given assurances that the continuation of US defense and scientific activities in Australia will present no fundamental problem. Nevertheless, his intention to chart a more independent and assertive foreign policy

Note: This memorandum was prepared by the Office of Current Intelligence and coordinated with the Office of National Estimates.

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course will inevitably introduce complications and uncertainties previously unknown in the Australian-US relationship. This fact was brought home with considerable force by the government's performance during the 12-day dock strike against US shipping that ended on 9 January.

Politically motivated strikes have been common in Australia, and no previous government has had great success in dealing with them. The strike by the seamen's union, however, was extremely unwelcome to the new government since it threatened to ignite a controversy between the Labor Party's left and moderate wings. A public dissociation from or condemnation of the strike, which would have been quickly issued by the previous government, was not a politically feasible option for Whitlam.

Despite repeated US efforts to discuss the subject, he declined to see the US ambassador during the course of the strike or to address himself to the problem in public. Behind the scenes, Whitlam did work toward an early settlement. He consulted closely with Australian Council of Trade Unions president Robert Hawke, a member of the Labor Party's left wing.

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The dockworkers' strike did not attract wide support from other unions and began to collapse. The resumption of the Paris talks on 8 January provided an excuse for the suspension of the strike the next day.

The strike does point to the problems Whitlam will face in presiding over his quarrelsome colleagues and raises questions about the Prime Minister's ability to control intemperate leftist elements in his party and government. Three cabinet ministers, one with a long history of Communist associations and the other two known for a tendency to make ill-considered remarks, publicly reviled the US for the bombing of North Vietnam, thus implicitly backing

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the strike at a time when Whitlam was trying to head it off.

Whitlam seems to have overcome the first challenge to his authority handily. In working behind the scenes to end the strike, the Prime Minister demonstrated that he could count on the support and cooperation of the national trade union machinery. Being in power will obviously place further strains on the ties between the party's left and the moderate wing led by Whitlam. Under Whitlam the two wings have compromised on most of their many policy differences, but the government's lack of a common front during the strike indicates that the maintenance of party discipline will be a major problem. In regard to discipline within the government, it should be kept in mind that the new cabinet had not yet been formally convened when the strike was on. It was dispersed for the almost sacrosanct Australian summer holidays. At a press conference on 9 January, Whitlam declared that he intended to put a lid on future foreign policy statements by anyone except himself acting in his capacity as foreign minister.

These signs of a firm, moderate approach are encouraging and augur well for future US-Australian relations. The events surrounding the dockworkers' strike, however, have made clear that Vietnam could become a major disruptive issue between Washington and Canberra. In a lengthy and frank discussion with the US ambassador on 8 January, Whitlam stressed that his government's position on the strike had been seriously complicated by its own stand on Vietnam. In very candid fashion, he said that the new Labor government had a mandate not only to end participation in the war, but also to take all possible action to ensure a speedy settlement. Whitlam warned that if the Paris negotiations were to break down and if the war were to be intensified, he would find it difficult not to speak out and would consider making a diplomatic initiative in the United Nations.

Anti-war sentiment is widespread within the Labor Party, and the Prime Minister's remarks no

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doubt are a bow to political realities as well as a reflection of his personal convictions. In any case, Whitlam's blunt forewarning says much about the Australian Government the US must deal with in the future--a government that accepts the alliance with the US as basic, but is determined to move toward what it sees as more equality in that alliance.

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